

Michigan Home Health Association

IN-HOME SERVICES LICENSING

- **The Michigan Home Health Association (MHHA) urges your support of licensure of the home care industry in Michigan.** Senior citizens and persons with disabilities should be served by providers who can meet minimum quality, safety and professional integrity standards.
- Michigan is among only a handful of states which do not require licensure of home care provider agencies and businesses. Licensure is sought for home health (Certified/Medicare) agencies, private duty home care agencies and home medical equipment providers. Hospice and home pharmacy-infusion agencies are already licensed in Michigan. Other providers of health and long term care services (e.g., nursing homes, hospitals, adult foster care assisted living facilities) are subject to oversight. Yet, hundreds of home care provider agencies, which send workers into the personal and unprotected residence of vulnerable citizens, have no such accountability.
- Regrettably, Michigan has joined the ranks of Florida and Texas as states with the highest incidence of fraud and abuse in the delivery of health services. Over the past year (2009 -2010), the growth rate of new start-up home care agencies in Michigan was greater than in any other state in the nation. The correlation to the incidence of unlawful activity is undeniable. As a result, the Federal government has dispatched a Health Care Fraud Prevention and Enforcement Action Team (HEAT) to Michigan. All indications are that waste, fraud and abuse are best prevented rather than dealt with after the fact. Licensing is far more effective than the pay and chase model of regulating health care providers.
- During fiscal year 2009, the Federal Government won or negotiated approximately \$1.63 billion in judgments and settlements. In the same year, U.S. Attorneys' Offices opened 1,014 new criminal health care fraud investigations, with 1,621 investigations pending. Only 481 criminal charges were filed, while 583 defendants were convicted of health care fraud in FY 2009. One might say that these statistics represent only the tip of the iceberg. The fraud problem is further compounded by the significant length of time it takes to prosecute cases. Eight home care providers were finally indicted in Michigan after an investigation of their case lasting almost six years.
- Another concern of reputable home care provider agencies is that complaints to various Federal law enforcement and regulatory bodies too often go unaddressed. Some report they are told that a response is not made to fraudulent activity that does not reach a worthwhile level of recoverable claims. Additionally, the evidentiary requirements for criminal prosecution can take years in the making, allowing transgressors to continue in non-compliance with the law and Medicare and Medicaid regulations. With licensure in place, Michigan would have the tool to "get them off the street" by pulling their license.
- Fraud, waste and abuse are found among all provider sectors in the Medicare and Medicaid programs. Whether unlawful activity comes by way of incompetence or criminal intent, the negative impact on healthcare beneficiaries and taxpayers is unacceptable. Consumers and taxpayers depend on the protections that Michigan lawmakers can grant them with enactment of legislation for In-Home Services Licensure.



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